The construction industry is truly an industry driven by, focused on and centered around people. We are increasingly aware of the organizational changes happening around.

However, organizations cannot focus on the technical aspects and ignore the people.

The following article examines some of the trends in the operational arena during the coming decade.

WORK FORCE

- The unavailability of skilled labor is the number-one limitation to growth in most markets. Shrinking labor pools are Acting contractors in every market and industry segment. This is forcing organizations to reduce turnover by focusing more attention on working conditions and employee morale, and to put more effort into employee recruiting resources.

- An aging work force is contributing to labor shortages, created by a negative
industry image that does not attract young workers.

- Workers who are entering the work force have less technical and basic skills, forcing organizations to take on more internal training to develop a quality work force.

- The shrinking labor pool is forcing organizations to look to nontraditional labor pools, such as women and minorities. This, in turn, has built a need for employee training in gender and diversity sensitivity.

- Employees are becoming more sensitive to constant relocation, and they are more demanding in their involvement in these decisions.

- All of the work force trends are forcing managers and leaders to exert additional effort in motivating and keeping employees. The techniques of yesterday do not work today. This is driving employers to offer more management and leadership training.

**PROCUREMENT**

- There is a shift toward teaming of construction stakeholders to provide one-stop shopping for purchasers of construction products. This is being accomplished through short-term joint ventures, long-term strategic alliances and vertical integration through mergers and acquisitions. All these combinations are based on the ability to present a united project team and increase the focus on team building and alliance skills.

- Design/build continues to become a more prevalent procurement process, even in the public sector, as owners and agencies begin using alternative pro-
curement strategies focused on “best
value.” However, hard bid for now, is
here to stay.

- Pre-qualification requirements are
pushing quality programs, requiring
utilize these tools have the competitive
advantage.

- Advancements in technology, such
as utilizing the Global Positioning Sys-
tem for project surveying, will continue

The overwhelming amount of information
necessary to complete a project and the need
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effective communication tools.

additional presentational and speaking
skills. Owners are looking for a team
that can clearly communicate the com-
pany’s abilities and virtues.

- Owners are increasingly using a safe
working history as a selection criteria.

**PROJECT DELIVERY**

- Project schedules continue their
trend of time compression. Cycle time
for construction processes will be the
major focus of the next decade. We
have progressed from “fast track” to
“flash track,” and there is no looking
back. This puts additional pressure on
the need for effective project manage-
ment and field productivity.

- The overwhelming amount of infor-
mation necessary to complete a project
and the need for timely information is
requiring more effective communica-
tion tools. Solutions such as project
intranets on the internet, project e-mail
systems, video teleconferencing and
digital photography are only the begin-
ning. Organizations that can effectively
to challenge an organization’s ability to
keep up in technical training needs.

- The collaborative project delivery
project is becoming the norm in both
the public sector and in the private sec-
tor. Whether we label it partnering or
high-performing teams, the need for
speed and quality will demand that we
approach a project as a team and not as
adversaries.

- Alliance-type approaches allow the
contractor to be involved early in
design decisions and collaborate on
construction issues.

**QUALITY PROGRAMS**

- Total Quality Management is not
dead, just as it was not truly new 10
years ago. It is about an ongoing busi-
ness philosophy of doing the right
thing the first time. It is about con-
stantly pushing for improvement. If
you are not trying to do better, some-
one else is.

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is helping purchasers procure with less resources, forcing more attention to be placed on quality programs.

SAFETY

- ISO 9000 continues to be explored by the construction community, and its philosophies praised for driving control and process into project delivery.
- Vendor and supplier certification
- More owners are requiring a safe work history as a selection criteria in awarding work
- Many industry firms have reached a plateau after several years of continuous safety improvements.
- While significant improvements in safety procedures and conditions have
While construction accounts for 5 percent of the work force, we experience 20 percent of all traumatic occupational fatalities and 12 percent of all disabling injuries.

been understood as necessary, unsafe behavior results in 85 percent of all job-site accidents.

■ Some firms are implementing behavior-based safety processes to move closer, and in many cases, attain the zero injury goal.

■ The zero-injury goal is being adopted by more firms as the cost of accidents continues to escalate.

■ Workers’ compensation rates have doubled over the past 10 years.

■ While construction accounts for only 5 percent of the work force, we experience 20 percent of all traumatic occupational fatalities and 12 percent of all disabling injuries.

■ Some companies are reaching the zero-injury plateau through employee involvement, increased awareness and a focus on safe behaviors.

FIELD PRODUCTIVITY IMPROVEMENT

■ Formalized field productivity improvement efforts will become commonplace for labor-intensive contractors. Like safety, ongoing improvement efforts will continue to focus heavily on the operations side of the business, where 85 percent to 95 percent of the dollars are spent.
Management training and development for superintendents and foremen continues to be a major focus for progressive contractors. Heavy emphasis will be placed on developing superintendents into leaders, as opposed to relying solely on their technical competence.

Technology will continue to permeate the field with the use of the internet, intranets and hand-held technologies. Access to documents and information will be readily available, with less need for mail, courier or overnight delivery services. Field managers will continue to become more competent and comfortable using new technologies.

The quality of field management will become a strong differentiate between contractors.

The companies with the best superintendents and foremen will be the long-term winners in the industry.

Contractors are demanding quantifiable returns from their investments in quality programs, such as direct cost savings, increased productivity for equipment and labor, and increased bottom-line profits.

There is increased awareness by con-
tractors for the need to define specific project control activities and to ensure that they are followed. The days of “winging” projects and depending on “good people” to pull them through are over.

- Many contractors are sharing productivity, cost and profit information with their field forces. They feel sharing information breaks down the “office-field” mentality, and shows a genuine willingness and interest to trust their field employees.

**PARTNERING**

- Partnering continues to be utilized as a viable methodology to improve the design and construction process. More public and private entities are implementing the process, which has resulted in both successes and failures.

- The industry does agree that while the process has never hurt a project situation, it has, in most cases, improved project communication between parties.

- Those in the high-tech industry and other private entities who have experience in developing long-term alliances with their suppliers are now utilizing the project-specific partnering model to further improve relationships and consequent results.

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Truly innovative and progressive project teams are utilizing the process less in conference room settings and more on the jobsite, pushing the concept to the subcontractor and craft levels, creating an atmosphere of total team involvement.

- Collaborative accountability to the project charter goals and metrics is continually reinforced throughout the duration of the project in these settings. Other teams that have focused only on the kickoff workshops as the primary use of the partnering process on their projects are struggling to keep the concept fresh and interesting.

- The manufacturing industry has found applications for the partnering process on major production contracts. The construction industry should be applauded for taking the lead and pioneering a concept that is now being transferred to other industry sectors. Well done!

INTERNATIONAL

- The United States’ major private owners are devoting ever-increasing shares of their capital spending dollars to overseas facilities.

- A poll of the 1996 Business Roundtable Construction Conference identified 50 percent to 75 percent of owner budgets directed to international facilities construction. In addition, a recent poll of national AGC’s international contractors reported that 70 percent of these contractors’ international projects have been unprofitable.

- Expect to see owners and contractors focusing on the cultural, political, logistical and procedural issues that are causing these losses. This reality cannot continue.

Companies addressing these trends will have a greater chance for success in the year 2000. Use these as a guide to focus on industry leadership. As they say, the view from the rear never changes.

About the Authors
Bill Abberger, Gretchen McComb and Bill Spragins are part of FMI’s Quality & Productivity Improvement Group. The QPI Group works with industry executives and project teams to emphasize employee involvement and collaborations as a cost-effective means for achieving quality, field productivity and safety. FMI management consultants to the construction industry have offices in Raleigh, N.C.; Denver, and Tampa, Fla.